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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS

2009-10
(session year)

Senate
(Assembly, Senate or Joint)

Committee on ... Health, Health Insurance, Privacy, Property Tax Relief, and Revenue (SC-HHIPPTRR)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
  (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (June 2012)

Senate

Record of Committee Proceedings

Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue

Senate Bill 362

Relating to: health insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems.

By Senators Hansen, Wirch, Taylor, Robson, Lehman, Coggs, Vinehout, Carpenter, Lassa, Miller, Risser and Erpenbach; cosponsored by Representatives Pasch, Richards, Benedict, Soletski, Black, Parisi, Milroy, Fields, Pope-Roberts, Hixson, Smith, Zepnick, Roys, Pocan, A. Ott, Berceau, Sinicki, Molepske Jr., Grigsby, Kaufert, Young, Turner, Hebl, Sherman, Jorgensen, Hilgenberg, Hintz and Toles.

October 23, 2009 Referred to Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue.

November 10, 2009 **PUBLIC HEARING HELD**

Present: (5) Senators Erpenbach, Carpenter, Robson, Lazich and Darling.
Absent: (2) Senators Lassa and Kanavas.

Appearances For

- Dave Hansen — Sen.
- Sandy Pasch — Rep.
- Barbara Lawton — Lt.Gov
- Pete Carlson — Aurora Health Care
- Shel Gross — Mental Health America of WI
- Richard Brown, Madison
- Christopher Sigl, Hartford — NAMI
- Brenda Ward — NASW WI Chapter
- Marc Herstand — NASW WI Chapter
- Ken Robbins — Dr., WI Psychiatric Association
- Sandy Bernier, North Fond du Lac
- Joanne Grassman
- David Riemer, Milwaukee — Community Advocates
- Mark Fossie, Milwaukee — M and S Clinical Services
- Sarah Bowen, Madison — WI Psychological Association
- Dianne Greenley — Disability Rights Wisconsin
- Kent Lovern — Milwaukee County District Attorney's Office

Appearances Against

- None.

Appearances for Information Only
- Kimberly Shaul — Office of the Commissioner of Insurance

Registrations For
- Alice O'Connor — WI Psychiatric Association
- H, Bruce Kruger, Milwaukee
- Neal Blackburn, Lancaster — WI County Human Service Association
- Sarah Diedrick-Kasdorf — WI Counties Association
- Joanne Ricca, Milwaukee — WI State AFL-CIO
- John Grabel — AFSCME
- Gina Dennick-Champion — WI Nurses Association
- Sabrina Gentile — WI Council on Children and Families
- Leslie Osman, Madison
- Kimberly Wadas — WI Catholic Conference
- Mickey Biel — Dane County
- Chris Rasch — WI Medical Society
- Tom Petri — WI Primary Healthcare Association
- Aaron Winden — NAMI Waukesha, Inc.

Registrations Against
- David Storrey, Madison — Wisconsin Retail Association
- R.J. Pirlot — WI Manufacturers and Commerce
- Bill Smith — NFIB
- Steve Baas, Milwaukee — MMAC

Registrations for Information Only
- None.

December 22, 2009 **EXECUTIVE SESSION HELD**

Present: (7) Senators Erpenbach, Carpenter, Robson, Lassa, Lazich, Kanavas and Darling.
Absent: (0) None.

Moved by Senator Carpenter, seconded by Senator Robson that **SA1to Senate Amendment 1** be recommended for adoption.

Ayes: (7) Senators Erpenbach, Carpenter, Robson, Lassa, Lazich, Kanavas and Darling.
Noes: (0) None.

ADOPTION OF SA1TO SENATE AMENDMENT 1
RECOMMENDED, Ayes 7, Noes 0

Moved by Senator Darling, seconded by Senator Lassa that **Senate Amendment 1** be recommended for adoption.

Ayes: (7) Senators Erpenbach, Carpenter, Robson, Lassa, Lazich, Kanavas and Darling.
Noes: (0) None.

ADOPTION OF SENATE AMENDMENT 1 RECOMMENDED, Ayes 7, Noes 0

Moved by Senator Carpenter, seconded by Senator Robson that **Senate Bill 362** be recommended for passage as amended.

Ayes: (5) Senators Erpenbach, Carpenter, Robson, Lassa and Darling.
Noes: (2) Senators Lazich and Kanavas.

PASSAGE AS AMENDED RECOMMENDED, Ayes 5, Noes 2

Kelly Becker
Committee Clerk

Vote Record

Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue

Date: _____

Moved by: Darling Seconded by: Lassa

AB _____ SB 362 Clearinghouse Rule _____

AJR _____ SJR _____ Appointment _____

AR _____ SR _____ Other _____

A/S Amdt 1

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

☐ Passage ☐ Adoption ☐ Confirmation ☐ Concurrence ☐ Indefinite Postponement

☐ Introduction ☐ Rejection ☐ Tabling ☐ Nonconcurrence

Committee Member	Aye	No	Absent	Not Voting
Senator Jon Erpenbach, Chair	☒	☐	☐	☐
Senator Tim Carpenter	☒	☐	☐	☐
Senator Judith Robson	☒	☐	☐	☐
Senator Julie Lassa	☒	☐	☐	☐
Senator Mary Lazich	☒	☐	☐	☐
Senator Ted Kanavas	☒	☐	☐	☐
Senator Alberta Darling	☒	☐	☐	☐
Totals:	____	____	____	____

☐ Motion Carried ☐ Motion Failed

Vote Record

Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue

Date: 12/22

Moved by: Carpenter Seconded by: Robson

AB _____ SB 367 Clearinghouse Rule _____

AJR _____ SJR _____ Appointment _____

AR _____ SR _____ Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

☐ Passage ☐ Adoption ☐ Confirmation ☐ Concurrence ☐ Indefinite Postponement

☐ Introduction ☐ Rejection ☐ Tabling ☐ Nonconcurrence

Committee Member	Aye	No	Absent	Not Voting
Senator Jon Erpenbach, Chair	☑	☐	☐	☐
Senator Tim Carpenter	☑	☐	☐	☐
Senator Judith Robson	☑	☐	☐	☐
Senator Julie Lassa	☑	☐	☐	☐
Senator Mary Lazich	☐	☑	☐	☐
Senator Ted Kanavas	☐	☑	☐	☐
Senator Alberta Darling	☑	☐	☐	☐
Totals:	5	2	____	____

☐ Motion Carried ☐ Motion Failed

Vote Record

Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue

Date: 12/22/09

Moved by: Carpenter Seconded by: Robson

AB ____ SB 362 Clearinghouse Rule ____

AJR ____ SJR ____ Appointment ____

AR ____ SR ____ Other ____

A/S Amdt ____

A/S Amdt 1 to A/S Amdt 1

A/S Sub Amdt ____

A/S Amdt ____ to A/S Sub Amdt ____

A/S Amdt ____ to A/S Amdt ____ to A/S Sub Amdt ____

Be recommended for:

☐ Passage ☐ Adoption ☐ Confirmation ☐ Concurrence ☐ Indefinite Postponement

☐ Introduction ☐ Rejection ☐ Tabling ☐ Nonconcurrence

Committee Member	Aye	No	Absent	Not Voting
Senator Jon Erpenbach, Chair	☑	☐	☐	☐
Senator Tim Carpenter	☑	☐	☐	☐
Senator Judith Robson	☑	☐	☐	☐
Senator Julie Lassa	☑	☐	☐	☐
Senator Mary Lazich	☑	☐	☐	☐
Senator Ted Kanavas	☑	☐	☐	☐
Senator Alberta Darling	☑	☐	☐	☐
Totals:	____	____	____	____

☐ Motion Carried ☐ Motion Failed


FORWARD
E PLURIBUS UNUM

Johnson, Kelly

From: Knutson, Tryg
Sent: Tuesday, November 10, 2009 8:32 AM
To: Johnson, Kelly
Subject: FW: Please Support SB 362

-----Original Message-----
From: Gayle Ellis [mailto:gmellis@mac.com]
Sent: Tuesday, November 10, 2009 8:05 AM
To: Sen.Erpenbach
Subject: Please Support SB 362

Senator Erpenbach

As a Wisconsin RN I am concerned about the lack of parity that exists between insurance coverage for mental health and substance abuse disorders and the non-behavioral insurance coverage for our Wisconsin residents. I respectfully request that you support SB 362 as it will provide greater opportunities for access, continued treatment and choice of mental health provider.

By addressing the federal mental health insurance parity gap, we will see more Wisconsinites experience better mental health states which has a direct relationship to decrease health insurance costs for other conditions. This is good for the patient and good for the employers and good for Wisconsin.

I thank you in advance for your consideration of my request.

Sincerely,

Gayle Ellis
Psychologist and Advanced Practice Nurse Prescribe Family Therapy Center of Madison 700 Ray O Vac Dr Ste 220 Madison, WI 53711


FORWARD

Johnson, Kelly

From: Knutson, Tryg
Sent: Thursday, November 05, 2009 7:44 AM
To: Johnson, Kelly
Subject: FW: Mental Health Parity: My Story

From: Ardyth Krause [mailto:ardyth66@charter.net]
Sent: Wednesday, November 04, 2009 5:43 PM
To: Sen.Erpenbach
Subject: Re: Mental Health Parity: My Story

Dear Sen. Erpenbach,

Thank you sponsoring this bill. It would be of great benefit for people like me and families like mine. Please read my story that follows, as I cannot attend the hearing.

I lost my job as a university professor at UWEC in May 2008. As is true with every other job I've ever had, I now understand, I lost it because I had a mental health disability. At the time I lost my job, my insurance coverage changed from the one supplied by the University of Wisconsin to the insurance of my husband. My new insurance would not cover the psychiatrist I had built a trusting relationship with over all the years I've lived here.

I knew about the loss of my job a year in advance, but I refused to give up my psychiatrist. I trusted him, and he is the only doctor in all my life who actually understands me and helps me. At the time I left the university, I had a new part-time job, and thought I could afford to pay my doctor, rather than to change doctors and to go to another city to see a strange doctor, as my insurance said I should to keep getting coverage.

So, rather than change doctors, I decided to save money on the one that I trusted and who helped. I asked my doctor to help me to reduce my meds and to see me less, so I could afford to keep seeing him.

What I did not understand at the time was that the med I was now doing without was for a disorder I never understood or accepted I had. I knew I had OCD and I thought I had a mild depression. What I did not accept or get was that instead of depression, I had bipolar disorder. So, for ten months, I was un-medicated. On those rare occasions I saw my psychiatrist, I was convinced I was fine, since I felt not the least bit depressed. Although I did nearly kill myself once in this period, I just ignored it as a fluke, since it was not in my mind a suicide attempt, since I was too happy to want to end my life, so I just reported I was fine to my doctor.

In January of 2009, I began to totally lose it. My physical health went as my body went again and again into panic mode. Again, I nearly killed myself. I was mean to the ones I loved. I am on the Eau Claire County Board, and I was too talkative and aggressive at meetings. I was also getting lost. In mid-March, my psychiatrist told me (again, apparently) I had bipolar disorder. I thought he was wrong. He again tried to get me back on my meds I could no longer afford. I did not think I needed them and I could not afford them, as once again, I was losing a job. This time my part-time job.

It was a friend who is a psychologist who finally convinced me that I was acting not at my "top game." Finally, after getting lost in my own neighborhood, and after nearly committing suicide yet again, I admitted myself to Luther Hospital Behavioral Unit, where I knew my doctor would be there to guide me through my treatment. I also knew my insurance would not pay for

it.

Our income that month was just barely over the MADD limit. So, now my husband and I owe $10,000 for the help I needed.

I'm sure some would say, if you wanted your insurance to cover, you could have switched to their one approved doctor in Chippewa Falls and gone into the hospital there. But the point is, I would not have done it. I never would have admitted myself to a strange hospital and to see a strange doctor. Never. I was afraid enough as it was, to even go into this one, with a doctor I knew, trusted and still love. Being in there was frightening enough. If it were not for my doctor, I would have just left.

My husband and I are both social workers. We both taught social work at the university level. We have both worked hard in the field and to earn our Ph.D.'s. My husband is 79 and uses an automatic wheel chair. He is severely disabled, yet he volunteers with kids in schools and at our local democratic office. He was named "Citizen of the Year" by the kids. They created the award just for him. I volunteer in a group to find shelter for the homeless, serve on the county board, and am the Regional Leader for the Grassroots Empowerment Project 's United We Stand Wisconsin. Neither one of us should have to be trembling each time we look at our check book, or when we get the mail.

I feel guilty about my husband. I'm 60, so I have maybe I hope a lot of time yet, as long as I keep on getting the help I need. But he is most likely toward the end of a hugely productive, loving and giving life. Why should he suffer under the brunt of inadequate mental health insurance for his beloved wife? It isn't fair. And I just wish I did not have to see him when he gets these bills again and again. Bills we just cannot pay.

So, Senator, if any part or all of my story can help this bill, please feel free to use it. If you have another hearing, I'll come. But the one you'rehaving in November is when I have to do the county budget.

Thanks so much for your kind consideration for those of us who truly need your help and support.

Ardyth L. Duhatschek-Krause, Ph.D.
3633 Oak Tree Lane
Eau Claire, WI 54701
Eau Claire County Board Supervisor
District 20
715-713-0038


FORWARD

Testimony on SB362 – November 10, 2009

Good morning, Mr. Chair and Committee Members. My name is Rich Brown. I'm a family physician with the UW School of Medicine and Public Health. I'm also the clinical director of the Wisconsin Initiative to Promote Healthy Lifestyles (WIPHL). WIPHL's main objective is that tobacco, alcohol, drug, depression, and other behavioral screening services are routinely and systematically delivered in healthcare settings around the state. I'd like to discuss one of many positive aspects of this bill – the requirement that health plans finance alcohol and depression screening.

Alcohol problems and depression are common. Of the nearly 75,000 patients that WIPHL has screened, over 30% have had a positive screen for risky or problem drinking. About one in twelve Wisconsin adults have a full-fledged major depression at any moment, and many more have depressive symptoms that could become full-fledged depression.

Alcohol problems and depression cause great suffering in our state. Along with illicit drug use, excessive drinking is the fourth leading cause of death and hospitalization in this state, the leading cause of years of life lost, and the leading cause of disability among men. Depression can lead to suicide and worse self-care of other chronic illnesses. Alcohol and depressive disorders significantly reduce workplace productivity. Both problems are especially painful for families.

The bad news is that most patients with these problems are usually not recognized until their conditions are very advanced, when there's already been lots of suffering among those with the problem, their family members, and sometimes others in the community. And the delayed recognition often makes treatment more difficult and more expensive.

The good news is that both problems can be identified very easily by routinely asking patients a standard set of questions in healthcare settings. If people with risky and problem drinking are caught early, just 15 minutes of structured discussion often elicit substantial reductions in drinking. The National Business Group on Health has found that routine screening and intervention elicit 20% fewer binges, 20% fewer emergency room visits, a 33% decline in alcohol-related injuries, a 37% reduction in hospitalizations, 47% less involvement with the criminal justice system, and 50% fewer car crashes. Within 12 months, these services return $4 for every dollar invested.

If people with depression are caught early, when they have minor depression, a certain kind of behavioral intervention can help avoid major depression. When screening identifies major depression, treatment is very effective. Benefits include substantial reductions in other healthcare utilization and improvements in workplace productivity. Within 24 months, these services return $3 for every dollar invested.

The National Commission on Prevention Priorities has found that alcohol screening and intervention services are the fourth most effective and cost-effective prevention service available – more effective than screening for high blood pressure, high cholesterol, and all forms of cancer. The Commission ranked depression screening 18th – ahead of administering osteoporosis screens and tetanus boosters. If the Commission had taken into account the documented improvements in workplace productivity, depression screening would have been rated at least as highly as mammograms and pap smears.

If SB 362 becomes law, you will remove a large impediment to the delivery of evidence-based, cost-saving alcohol and depression screening services. Hundreds of thousands of Wisconsinites will benefit directly, and all of us will enjoy reductions in healthcare costs, safer communities, and a more competitive business environment. I hope you'll vote in favor of this bill.

Richard L. Brown, MD, MPH • 125 N Hamilton St Unit 1001 • Madison, WI 53703 • 608-658-1916


FORWARD
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Aurora Health Care®

SENATE COMMITTEE ON HEALTH, HEALTH INSURANCE, PRIVACY, PROPERTY TAX RELIEF, and REVENUE

Testimony of Peter Carlson
Vice President, Behavioral Health Services, Aurora Health Care
Chief Administrative Officer, Aurora Psychiatric Hospital

Regarding 2009 Senate Bill 362

411 South, State Capitol, 10:00 AM
Tuesday, November 10, 2009

Chairperson Erpenbach and members of the Committee, thank you for the opportunity to appear on behalf of Aurora Health Care to testify in favor of Senate Bill 362, which would require all group health insurance plans in Wisconsin to provide mental health and substance abuse disorder benefits at parity levels. My name is Pete Carlson, and I serve as the Vice President of Behavioral Health Services, Aurora Health Care and in that role also serve as the Chief Administrative Officer of Aurora Psychiatric Hospital, the oldest private psychiatric hospital in the state of Wisconsin, celebrating our 125th anniversary this year. I want to share our unique perspective with you today, because Aurora Health Care is both a provider of mental health services as well as an employer that has provided mental health benefits at parity with physical health benefits for our employees since 2002. We have experienced this issue thoroughly from both perspectives.

Aurora Behavioral Health Services is the largest private provider of behavioral health services in the State of Wisconsin. While employing over 200 psychiatrists, psychologists, psychotherapists, psychiatric nurses and social workers in our free-standing psychiatric hospital, 2 hospital-based inpatient units and 21 outpatient clinics in the eastern one-third of the state, we treat in excess of 20,000 individual patients each year, providing more than 25,000 inpatient days and over 125,000 patient visits with our professional staff. We see the positive impact that these services have, not only on the lives of our patients, but on their families and support systems as well. Mental illnesses are very treatable illnesses. Unfortunately, the history we have had with mental illness is one of stigmatization, to keep it secret and out of the public eye, leading to further stigmatization. This has been true for over 200 years, and although we've made tremendous strides as a society in this area, we continue to struggle with this same stigmatization today. Passing this bill will help us to take another leap forward in assisting this vulnerable population of our fellow citizens.

As mentioned, Aurora Health Care has a unique perspective to share not only because we are the largest private provider of behavioral health treatment in the State, but because we are also the largest private employer in the State. As I noted previously, we have provided mental health insurance benefits to our employees at parity with physical health since 2002. Our experience has shown that by extending mental health coverage at parity in our health plan, those employees that need this type of treatment are able to get the help they need, when and how they need it, just as they would with any other illness that they may come down with. We believe that this has not only been in the best interest of our employees and their families, but also in the best interest of our organization. Healthy employees, mentally and physically, are more productive, and in

my experience, perform their job duties better, something we think is very important and take seriously as a health care provider.

We are often asked about the numbers; what has our claims experience been since we began offering our mental health benefits at parity. Since 2002 our behavioral health claims have been statistically unchanged before and after the implementation of parity, averaging between 2.5 and 2.9 percent of all health care claims annually. Providing parity in our mental health and substance abuse benefits did not create a scenario where employees sought out care they did not need.

We believe that mental health parity benefits both employees and employers. Nationally up to two-thirds of all employees will, at some time during their work life, experience problems severe enough to prevent them from coping with their day-to-day responsibilities. During the best and certainly in the worst of economic times, we know that consumers of mental health services who lack insurance, or have insufficient coverage, often postpone seeking treatment, over-utilize emergency room services, stop taking prescribed medications or stop therapy when they exhaust their benefits. This frequently leads to a deterioration of their condition and their ability to fully function, resulting in family dysfunction, job loss, hospitalization and sometimes suicide. We see this in patients that we work with at Aurora, just as all mental health providers do. These are real people, not just statistics.

Despite inequities in coverage for mental health and substance abuse services, Aurora has been committed to providing care for un- and underinsured consumers of behavioral health services, averaging on a yearly basis over two million dollars in uncompensated care, and close to one half million dollars in charitable care. The under-funded Medicaid shortfall adds another seven million dollars in unfunded care.

Our mental health treatment communities and the consumers they serve are in crisis. In the past 20 years over 70% of the public and private inpatient beds have disappeared in Southeastern Wisconsin. Access to psychiatrists is already problematic and getting worse. Health systems and other providers have exited the behavioral health market due to the business problems created by the inequity of reimbursement for these services, only making the problem worse, ultimately for all of us.

In response to this crisis, State and County staff, public and private behavioral health providers, as well as other concerned community organizations have been working together in collaborative partnerships designed to improve the efficiency and quality of the behavioral health care delivery systems throughout the State. But we can't do it alone. We need you as our partner. We need your help in extending this important coverage so citizens affected by mental illness can access the treatment they need and frequently must desperately seek without the insurance benefits to pay for it. This should not be any different than a citizen with any other treatable healthcare need, be it cancer or a heart condition. It is the right thing to do.

We thank Senator Hansen and Representative Pasch for being champions of mental health parity in Wisconsin. We believe that behavioral health services are a critical, core component of health care. Wisconsin is recognized as a leader nationwide for quality and access to affordable healthcare. Senate Bill 362 continues that tradition.

Thank you for providing me the opportunity to speak today.


FORWARD
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State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Sean Dilweg, Commissioner

Wisconsin.gov

125 South Webster Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: ociinformation@wisconsin.gov
Web Address: oci.wi.gov

Testimony of Sean Dilweg, Commissioner of Insurance to
Senate Committee on Health and Health insurance, Privacy, Property Tax Relief and Revenue
SB 362
November 10, 2009

Thank you, Chairman Erpenbach and committee members for the opportunity to testify on SB 362, insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems I am here to testify for information on this bill .

While concerned about the possible impact on premiums, I am supportive of the concept of parity. For families facing mental health issues, treatment costs can be an additional pressure they do not need to face. I have testified to Congress in support of parity laws at the federal level. However, Wisconsin's mandate disproportionally affects small employers. With the ability of large self-funded employers to opt-out of coverage, the committee may want to consider a more incremental approach to increasing access to mental health benefits in the state.

Current Wisconsin law, which has been in place since the mid-1980s, requires health insurers to cover a minimum of $7000 annually for mental health and AODA services. Wisconsin law applies to all group coverage. While state law creates minimum coverage amounts, for nearly all policies, the floor is also the maximum coverage available. This bill directs coverage for MH and AODA services that is no less restrictive than for other benefits available in the plan. This bill would require insurers to pay for mental health and AODA services without applying benefit limits that do not apply across the policy generally, also known as parity. It also expands coverage to the individual market and adds a requirement to cover screening that is not part of current law.

State health insurance mandates have a significant limitation in that federal law pre-empts the application of any state mandate laws to self-funded coverage. OCI regularly surveys the market and our best estimate is that any mandate would apply to only 28% of available coverage. Additionally, opting for a self-funded health plan usually works more efficiently for larger providers. Small employers, those least able to absorb premium increases, are more likely to be in the fully insured market. And this proposal would also mandate coverage for MH/AODA services in the individual market.

Federal law has recently also changed to provide for parity in the large group market (more than 50 employees). Effective for renewals after October 6, 2009, employers are permitted to determine if they wish to offer coverage for mental health and AODA services; but, if they elect to offer coverage, it must be offered on a parity basis.

We are awaiting final guidance from the federal government on the interaction between Wisconsin's mandate and federal parity requirements. But our initial interpretation is that, for the large group fully insured market, the state mandate for minimum coverage creates a full parity requirement. For the small group market, only the mandated minimum coverage must be offered. We remain unable to influence the self-funded market with state mandates.

Health insurance premiums continue to rise at a rate that outpaces inflation, creating hardship for employers who offer coverage. Expanding benefit mandates are likely to increase health insurance costs and subsequently, insurance premiums.

A possible solution would be to index the $7000 minimum benefit forward to current value for the small group market. Our estimate is that the revised benefit would be approximately $23,000. Insureds and families would have the benefit of expanded coverage, but with some limits that would temper any premium increases.

A question has recently arisen about the coordination of this proposal with the newly adopted autism mandate. The autism mandate requires minimum coverage of $50,000 annually for intensive treatment and $25,000 annually for non-intensive treatment and mandates coverage for a specific list of provider types. Our interpretation is that adopting this proposal would direct insurers to pay benefits for autism treatment at not less generous levels than other services, in other words, the mandated minimums would no longer be applicable and autism treatment would be provided at parity. In addition, it could be interpreted that the currently mandated list of providers would no longer be applicable. Any provider type who is authorized to provide treatment under the general terms of the plan would be able to provide treatment under the autism mandate as long as it was within the scope of their license, medically necessary and appropriate and met other terms and conditions of the plan. As you know, as directed by the Legislature, we are in the process of finalizing administrative rules to implement the autism mandate. Those rules, developed with the input of experts in autism treatment, affected families and insurers, require providers to have education and work experience working with an autistic population. The Legislature may want to address the apparent conflict in these two requirements in any final legislation.

We are preparing to do a social and financial impact statement for this bill as required. It will provide a more complete analysis of the costs and benefits of the proposal.

I would be happy to answer any questions you may have.


FORWARD
PLURIBUS UNUM

disabilityrights | WISCONSIN

November 10, 2009

To: Members of the Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue

From: Dianne Greenley
Supervising Attorney
Disability Rights Wisconsin

Re: Senate Bill 362 - Mental Health and Substance Abuse Parity

Disability Rights Wisconsin strongly urges your support of Senate Bill 362 which will bring parity in treatment for mental health and substance abuse disorders to all Wisconsin citizens who have health insurance. This bill will fill in the gaps created by the federal parity legislation and provide coverage to over 700,000 individuals in small group plans and who have individual insurance that offers mental health and substance abuse benefits. It makes no sense to have parity for some Wisconsin citizens but not others. This bill will address this problem.

Insurance coverage for treatment of mental illness and substance abuse is clearly beneficial for individuals with these conditions. However, it is also good for Wisconsin's health care system, counties, criminal justice system, and child welfare system. Children and adults with significant mental health and substance abuse problems who do not receive treatment frequently end up receiving care from other human service programs.

A recent Wisconsin study found a very high level of co-occurring mental health and physical health conditions. Failure to adequately treat either condition can lead to significantly higher medical costs. Integrating mental health care with physical health care can lower costs and create better outcomes for patients. However, if mental health benefits are not available, these outcomes are not possible.

Wisconsin counties are responsible for the costs of mental health care for their residents who do not have other resources. Due to declining state support for mental health treatment costs, counties in 2005 contributed $113.6 million dollars in property tax levy for mental health treatment. If individuals had adequate insurance benefits for mental health treatment, this burden on counties could be reduced.

The Wisconsin Department of Corrections estimates that approximately 28% of its inmates have mental illnesses requiring treatment. The number with substance abuse problems is even higher. While state data are not available for persons with mental illness in county jails, national data estimate 64% have mental health problems. Of these individuals 74% have a co-occurring substance abuse problem. Lack of access to mental health and substance treatment is a major

MADISON OFFICE
131 W. Wilson St.
Suite 700
Madison, WI 53703

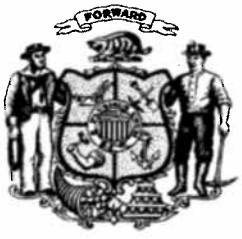
608 267-0214
888 758-6049 TTY
608 267-0368 FAX
800 928-8778 consumers & family
disabilityrightswi.org

factor driving our correctional populations. While insurance parity is not the only solution to this problem, it may be significant in reducing the number of persons with mental illness or substance abuse who enter prisons and jails and may also impact recidivism.

National studies indicate that 50% of children in the child welfare system have mental health problems. A Wisconsin study of parents of children involved in county child welfare services found that 40% have mental illness. Providing adequate treatment for this population can be very significant in reducing the level of severity of long term mental health problems. However, if parents do not have adequate insurance coverage, the county may have to fund treatment. If funding is not available, the family may go without adequate help and the cycle of abuse and neglect may continue.

Thus, access to mental health and substance abuse treatment has impacts on many individuals and human service systems. Insurance parity is one part of the solution of increasing access to needed services. For this reason we urge your support of Senate Bill 362.

WISCONSIN STATE LEGISLATURE



WISCONSIN STATE SENATOR
DAVE HANSEN
SENATOR – 30TH DISTRICT
ASSISTANT MAJORITY LEADER

Senate Bill 362
Testimony of Senator Dave Hansen
Senate Committee on Health and Health Insurance, Privacy, Property Tax Relief, and Revenue
November 10, 2009

Thank you Mr. Chairman and members. I am happy to be here today with Representative Sandy Pasch co-sponsor of this legislation, to speak in favor of the Wisconsin Mental Health and Substance Abuse Parity Act, Senate Bill 362.

This legislation will close the gap left by passage of the federal Paul Wellstone & Pete Domenici Mental Health Parity and Addiction Equity Act. That law passed in October of 2008 and covers employers of 51 or more employees. But under this law, small employers, those employing 50 or fewer, are exempt from required coverage. By covering smaller employers, up to 700,000 Wisconsin residents will become eligible for mental health coverage. Mental illness and substance abuse effects people of all ages, races, gender and economic status. People that work for smaller companies should have the same level of treatment as those working for large employers.

I've been working on the issue of mental health parity since 2001, when mental health parity passed the State Senate. Since that time, unfortunately, it has never received an up or down vote in the state Senate or Assembly. We're hoping to change that this year. In 2002, the Legislative Council Special Committee on Mental Health Parity, which I chaired, recommended indexing mental health coverage requirements to the consumer price index. Those rates had not and have not been lifted in more than twenty years and remain capped at $7,000. It's time for this to change.

As you will see today, support for this proposal has never been stronger. The coalition in support of Senate Bill 362 is broad and deep. And the data supportive of this cause has never been more persuasive.

Now, I want to just briefly explain my reason for proposing this legislation, why I am proud to author the bill and why this bill is so important from a moral and ethical perspective.

In 2007, I had the pleasure of attending my son-in-law's graduation from the College of Podiatric Medicine and Surgery at Des Moines University. The commencement address was delivered by former Arkansas Governor Mike Huckabee, a Republican presidential candidate and the winner of the Iowa caucuses. I was prepared for a run-of-the-mill partisan stump speech, but instead was treated to something very different by a preacher-politician who knows a thing or two about public speaking.

That day, Mr. Huckabee spoke of a young soldier who returned from Iraq with lasting psychological and emotional scars. The soldier recognized that he was in trouble

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State Capitol
P.O. Box 7882
Madison, Wisconsin 53707-7882
Phone: (608) 266-5670
Toll-Free: 1-866-221-9395
Fax: (608) 267-6791
E-mail: sen.hansen@legis.wisconsin.gov

and tried to get help at the local VA, but he was told to come back another day. Tragically, this young man didn't have another day. He went home and took his own life.

Huckabee passionately delivered this story, and used it as an opportunity to call for better mental health treatment for our returning soldiers who have suffered through the horrors of the Iraq War.

I wholeheartedly agree with his call, and have voted to increase funding for the state's Veterans Assistance Program, but I also recognize the problem extends far beyond the brave veterans who battle mental illness. People across this state and nation, people who have never seen a battlefield are dealing with mental illnesses that are just as real and debilitating as those faced by our men and women in uniform.

In fact, according to the Wisconsin Department of Health and Family Services, about 629 suicide deaths occur in Wisconsin, and an average of 4,944 suicide related hospitalizations take place each year. Many of these deaths are highly preventable and could be prevented if all sufferers of mental illness had access to the prevention services they deserve.

To put it simply, current laws that allow for the inequitable treatment of mental health and substance abuse disorders are nothing more than legalized discrimination. Mental illnesses are medical problems—not character flaws—and should be treated as such.

The time has come to stand up to special interests and those that say this legislation will cost too much. The state's fiscal situation doesn't make this struggle any easier either, but governing is about making priorities. This continues to be one of my highest priorities, and I will not stop fighting for this cause until it becomes law.

I'll now close with the words of one of my favorite public servants, the late Sen. Paul Wellstone, a terrific statesman and the man after whom the federal mental health parity legislation is now named. He said, "Politics isn't about big money or power games; it's about the improvement of people's lives."

There are others here to testify who will be able to provide more perspective on why this legislation is important. I will let them tell their stories.

Thank you again Mr. Chairman and members.


FORWARD
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MATI
Milwaukee
Addiction Treatment
Initiative

COMMUNITY ADVOCATES
Public Policy Institute

Statement of David R. Riemer, Director,
Community Advocates Public Policy Institute
to the
Wisconsin Senate Committee on Health, Health Insurance,
Privacy, Property Tax Relief, and Revenue,
Nov. 10, 2009,
on the
***Wisconsin Mental Health and Substance Abuse Parity Act,* SB-362**

Chairman Erpenbach and members of the committee, thank you for the opportunity to present my views on the Wisconsin Mental Health and Substance Abuse Parity Act, SB-362.

I am Director of the Community Advocates Public Policy Institute and the Milwaukee Addiction Treatment Initiative (MATI). MATI is a collaboration of more than 80 state and local organizations working to expand access to drug and alcohol treatment for everyone in Wisconsin who needs it. The MATI coalition includes law enforcement agencies—our champion is Milwaukee County District Attorney John Chisholm—as well as public and private health organizations, addiction treatment providers, advocates, and many other local and state organizations. We share the common goal of closing the addiction treatment gap.

The bill you consider today, SB-362, is much-need legislation. It will increase mental health and addiction treatment for hundreds of thousands of people in Wisconsin. It will help to save lives and lower costs. I urge you to approve the *Wisconsin Mental Health and Substance Abuse Parity Act.*

Treatment is Effective and Cost Effective
Wisconsin currently suffers from a substantial treatment gap: only a fraction of the individuals who have addiction and mental illness are today receiving the treatment they need. This is in spite of overwhelming evidence—both from thousands of individual cases and formal studies—that mental illness and addiction are chronic illnesses that are effectively treated. Across Wisconsin and the nation, millions of individuals who suffer from these chronic illnesses have received high-quality treatment that has saved their lives, improved their health, and allowed them to return to their families and their jobs as fully functioning individuals, workers and taxpayers.

Studies have shown that the provision of full parity coverage for addiction and mental illness not only results in effective treatment but also is cost-effective. Treating individuals with addiction and mental illness on a parity basis often lowers health care costs for persons treated. It does so by avoiding the expensive hospitalizations, medical care and prescription drug costs that inevitably result when, because their addiction and mental illness are untreated, they have strokes, heart attacks, injuries from auto accidents, and other illnesses or injuries.

In addition, parity treatment of persons who live with addiction and mental illness frequently avoids medical costs for other individuals, such as family members and other innocent persons who would otherwise be harmed in domestic disputes or auto accidents.
And parity treatment for addiction and mental illness saves money in the criminal justice system—reducing crime, and thus reducing arrests, trials and imprisonment—which is why Milwaukee County District Attorney John Chisholm so strongly supports this policy. Parity also reduces domestic violence and its many costs.

Finally, parity helps people go to work—or stay employed—so that they, rather than the taxpayers, support their families and pay their faire share of taxes.

The *Wisconsin Parity Act* Supplements Federal Parity Law
A major cause of the treatment gap in Wisconsin is the lack of a requirement that health insurance companies must provide "parity"—equal, non-discriminatory treatment of addiction and mental illness—when they sell health insurance policies to individuals and small employers. Wisconsin law presently requires any group health insurance policy that provides inpatient or outpatient hospital services to cover mental health and substance abuse treatment only at a minimum of $7,000, or the equivalent benefits measured in services, per year. These artificial limits were established in 1986 when $7,000 covered the cost of approximately 30 days of inpatient treatment. In present dollar terms, such treatment caps are woefully inadequate to provide effective treatment for those persons living with mental illness or substance abuse disorders.

The new federal *Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008* (P.L. 110-343) is a strong first step in ensuring parity coverage of mental health and addiction. The *Wellstone-Domenici Act* requires that Medicaid HMOs provide their poor and near-poor enrollees with parity coverage for addiction and mental health treatment; and requires that large employers—those with 51 or more employees—must provide parity coverage for addiction and mental health treatment.

The *Wellstone-Domenici Act* became law for most group health plans for plan years beginning on October 3, 2009, or, in the case of a group health plan that is part of a collective bargaining agreement, by no later than January 1, 2010. As I mentioned, this federal law applies to group health plans offered by employers of 51 or more employees. It does not mandate that such businesses provide mental health and substance abuse coverage as part of their group health plan coverage. However, if a plan does provide either mental health or substance abuse coverage, then the treatment limitations and financial requirements of such coverage must be at parity—that is, no more restrictive than those applied to the plan's medical and surgical coverage.

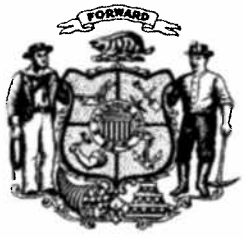
Unfortunately, the *Wellstone-Domenici Act* leaves uncovered more than 700,000 Wisconsinites who work for small employers of 50 or fewer employees. The *Wisconsin Parity Act,* SB-362, fills this substantial gap. The legislation before you will require all group health plans in Wisconsin to provide mental health and substance abuse disorder benefits at parity levels with other conditions covered by the plans. By doing so, this bill will increase treatment for hundreds of thousands of people in Wisconsin. While such coverage is not required for individual plans, if mental health or substance abuse benefits are included in the individual plan coverage, then they must be offered at parity.

Conclusion

Senator Hansen and Representative Pasch and have demonstrated great leadership in introducing the *Wisconsin Parity Act.* The Community Advocates Public Policy Institute and the Milwaukee Addiction Treatment Initiative strongly support this legislation.

Thank you again for your time and consideration.


WISCONSIN STATE LEGISLATURE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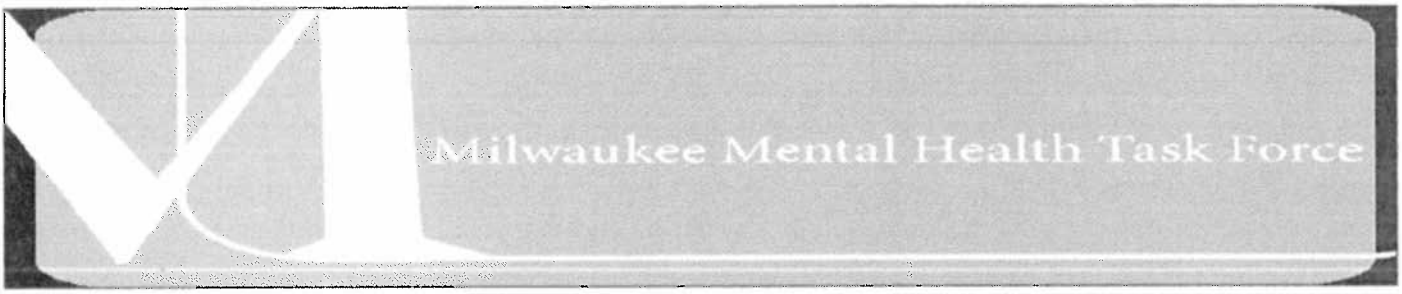


6737 W. Washington Street, #3230 Milwaukee, WI 53214 Voice & TTY 414/773-4646 FAX 414/773-4647

Testimony in Support of
Wisconsin Mental Health and Substance Abuse Parity Act, SB-362/AB-512
From the Milwaukee Mental Health Task Force
November 10, 2009

The Milwaukee Mental Health Task Force strongly supports the Wisconsin Mental Health and Substance Abuse Parity Act, SB-362/AB-512. Mental illness affects one in five Americans, adults and children alike. Coverage for mental health services has been very limited under most private insurance plans and government programs and far more restrictive than the coverage provided for treatment of other illnesses. These inequities in the insurance statutes prevent many people with mental illness and substance abuse disorders from receiving medically necessary treatment. The long-term consequences of these untreated disorders are costly, in both human and fiscal terms.

Recently passed federal legislation, the Wellstone-Domenici Act, will provide millions of citizens with equitable insurance coverage for mental illness or substance abuse. However, it has one serious limitation: it covers only employers with more than 50 employees. This means that the 700,000 employees in businesses of fewer than 50 employees in Wisconsin (and their dependents) would not have the benefit of the federal law if they are provided health insurance. Passage of SB 362 will fills this gap and benefit both employees and the companies they work for.

Forty-two states already have some type of mental health parity. PriceWaterhouseCoopers, LLP, and others have found that these laws have not led to significant increases in costs or in the uninsured and often premiums have decreased as a result. Businesses that provide insurance coverage of mental illnesses have also found an unexpected benefit in reduced sick leave for physical ailments. Increased productivity and fewer sick days have resulted in a net positive for these businesses. Parity reduces the need for costly medical services (such as emergency room services) and improves health outcomes for people with heart disease, diabetes, cancer and other chronic diseases. .Parity makes good economic sense.

The Wisconsin Mental Health and Substance Abuse Parity Act will ensure that coverage for medically necessary treatment of all mental health and substance abuse disorders is no more restrictive than the coverage for other medical conditions. Please pass this bill now to ensure that Wisconsin residents have improved access to this essential medical care and to help end discrimination against people experiencing mental health concerns.

The Milwaukee Mental Health Task Force provides a forum where different sectors of the mental health delivery system come together to address and resolve issues of interest to all people affected by mental illness. The task force has over 60 member organizations (see next page) including consumer groups, advocacy organizations, providers, law enforcement, and other community stakeholders.

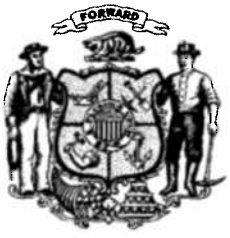
Contacts for the Milwaukee Mental Health Task Force:
Peter Hoeffel, NAMI Greater Milwaukee, 414-344-0447, peterh@namigrm.org
Barbara Beckert, Disability Rights Wisconsin, 414-773-4646 barbarab@drwi.org

The Milwaukee Mental Health Task Force is committed to being a leader in identifying issues faced by all people affected by mental illness, facilitating improvements in mental health services, giving consumers and families a strong voice, reducing stigma, and implementing recovery principles.

Milwaukee Mental Health Task Force Participating Organizations:

Abri Health Plan
Acacia Mental Health Clinic
American Red Cross
ARC of Greater Milwaukee, Inc.
Aurora Health Care
Behavior Health Provider Group
Benedict Center
Black Health Coalition of Wisconsin
Bob and Linda Davis Family Fund
Cenpatico Behavioral Health
Centene
Charles E. Kubly Foundation
Columbia College of Nursing
Community Advocates
Community Care
The Counseling Center of Milwaukee, Inc.
Depression and Bipolar Support Alliance
Disability Rights Wisconsin
Division of Community Corrections
Dryhootch of America
Encompass Effective Mental Health Services
Faye McBeath Foundation
Grand Avenue Club
Greater Milwaukee Foundation
Health Care for the Homeless
Impact
Independence*First*
I-Care
Jewish Community Mental Health Education Project
Justice 2000
La Causa
Legal Aid Society
Managed Health Services
Make It Work Milwaukee
Medical College of Wisconsin
Mental Health America of Wisconsin
Milwaukee Center for Independence
Milwaukee Clinicians of Color
Milwaukee County Behavioral Health Division
Milwaukee County Disability Services Division
Milwaukee County District Attorney's Office
Milwaukee County Housing Division
Milwaukee County Pretrial Services
Milwaukee County Sheriff's Office
Milwaukee Health Department
Milwaukee Latino Health Coalition
Milwaukee Police Department
NAMI Greater Milwaukee
Our Space
Rogers Memorial Hospital
Schizophrenics Understood Inc.
Sixteenth Street Community Health Center
Social Rehab
Sojourner Family Peace Center, Inc.
State Public Defender's Office
Transitional Living Services
United Way of Greater Milwaukee
University of Wisconsin-Milwaukee
Veterans Association
Vital Voices for Mental Health
Warmline, Inc.
Wheaton Franciscan Healthcare
Wilberg Community Planning, LLC
Wisconsin Community Services
Youth Mental Health Connection


WISCONSIN STATE LEGISLATURE


FORWARD

Johnson, Kelly

From: Knutson, Tryg
Sent: Tuesday, November 10, 2009 8:34 AM
To: Johnson, Kelly
Cc: Esser, Bridget
Subject: FW: Support For SB 362

-----Original Message-----
From: Jo Ann Wagner Novak, MS, APNP [mailto:joann.wagnernovak@fammed.wisc.edu]
Sent: Tuesday, November 10, 2009 8:14 AM
To: Sen.Erpenbach
Subject: Support For SB 362

Senator Erpenbach

As a Wisconsin RN and Nurse practitioner, I am concerned about the lack of parity that exists between insurance coverage for mental health and substance abuse disorders and the non-behavioral insurance coverage for our Wisconsin residents. Each year, I see several hundred patients who are themselves affected by mental health or substance abuse issues, and more often, their families (spouse and children) are quite negatively affected as well. You only need to look at the research data in this area to see the need for treatment. I respectfully request that you support SB 362 as it will provide greater opportunities for access, continued treatment and choice of mental health provider.

By addressing the federal mental health insurance parity gap, we will see more Wisconsinites experience better mental health states which has a direct relationship to decrease health insurance costs for other conditions. This is good for the patient and good for the employers and good for Wisconsin.

I thank you in advance for your consideration of my request.

With best wishes for a happy Thanksgiving,

Jo Ann Wagner Novak, MS, APNP
21 W Newhaven Cir
Madison, WI 53717


FORWARD
E PLURIBUS UNUM

WISCONSIN STATE ASSEMBLY

22ND ASSEMBLY DISTRICT

SANDY PASCH

STATE REPRESENTATIVE

Senate Bill 362
Testimony of Representative Sandy Pasch
Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief and Revenue
November 10, 2009

Good morning, Mr. Chairman and committee members. As the lead author of the Assembly companion to this legislation, I thank you for the opportunity to provide testimony on Senate Bill 362 today.

Mental illness and addiction are genuine, treatable illnesses that directly affect one in four members of our community. We know they are not a life choice, a moral weakness, or a character flaw. They originate in the brain, and cannot be willed away anymore than heart attacks or diabetes or a fractured leg can be willed away.

Well, for some reason, we have allowed ourselves, as a society, to be ignorant about mental illnesses and addiction. While research has informed us as to the physiological nature of these diseases, we have continually failed to provide access to treatment for them.

We would never consider other types of "coverage carve-outs" for physical health conditions, such as cardiac diseases, pulmonary problems, or orthopedic problems. We provide treatment for these illnesses because the lack of access to treatment leaves people in pain, unable to function, to work and care for their family. However, many continue to perceive, and dismiss, mental illness and substance abuse as character flaws, and this is reflected through the appalling lack of coverage we provide to treat them.

The failure to treat mental illnesses drives up costs across society—on to county budgets, the workplace, the corrections system, and families across the state. The costs to business of absenteeism, lost productivity, and disability and unemployed insurance claims due to mental illness and addiction outweigh any costs associated with mental health and substance abuse parity. Further, many people with mental illnesses, including children and adolescents, are more likely to have contact with a police officer than a mental health provider.

It is time we recognize that treating mental illnesses and substance abuse is the cost-effective action. It is the right thing to do, and it is the ethical thing to do.

The issue of mental illness and substance abuse knows no age, race, gender, economic status, or political party. As of today, 40 state legislators—Democrats and Republicans alike—have signed on as cosponsors of this legislation.

As Senator Hansen mentioned, this bill will close the gap in coverage for more than 700,000 Wisconsinites who work for those employers of 50 or less employees who are exempt from the provisions of the *Wellstone-Domenici Act*. I urge you to support this legislation that will allow Wisconsinites living with mental illness to enjoy healthier lives and be more productive members of society—providing invaluable benefits to families, businesses, and local governments across the state.

Mr. Chairman and committee members, thank you again for allowing me to testify on this legislation.

OFFICE: State Capitol, P.O. Box 8953, Madison, WI 53708 ★ PHONE: (608) 266-7671
TOLL-FREE: (888) 534-0022 ★ E-MAIL: rep.pasch@legis.wi.gov ★ FAX: (608) 282-3622


FORWARD
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WISCONSIN CATHOLIC CONFERENCE

TO: State Senator Jon Erpenbach, Chair
Members, Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue

FROM: Kim Wadas, Associate Director, Education and Health Care

DATE: November 10, 2009

RE: Senate Bill 362, Mental Health and Substance Abuse Parity

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On behalf of the Wisconsin Catholic Conference, the public policy voice of Wisconsin's Roman Catholic bishops, I wish to express our support for Senate Bill 362. This bill would enhance health insurance coverage requirements in Wisconsin for mental illness and substance abuse, ensuring that those who work for businesses with 50 or fewer employees who suffer from these conditions receive the same care and treatment as those who have physical health issues.

SB 362 proposes a sensible policy that reflects medical science's current understanding of the intricate link between mental and physical health. Mental health conditions and substance abuse can be as debilitating as any physical injury, and yet, those who suffer such afflictions have traditionally not received the same opportunity to access treatment. Recently implemented federal law recognizes the importance of mental health and substance abuse treatment by requiring parity for such treatment in health insurance coverage for those employers who retain over 50 employees.

This bill corrects inequity by removing the state's minimum coverage amounts for group health insurance for these conditions and instead requiring that most group insurers provide the same coverage for the treatment of mental health and substance abuse conditions as they would for any physical ailment. The bill also ensures that certain individual plans that opt to provide mental health and substance abuse coverage do so in a manner that is equivalent to the coverage provided for the treatment of physical conditions. It also ensures certain mental health screenings are provided.

The human person is more than a physical body. Our human nature blends the physical with the intellectual and spiritual. The latter two may be harder to quantify, but are no less deserving of our attention. Further, each of us possesses an innate dignity with which, in the words of the Founders, we are endowed by the Creator. This human dignity is present even when one is physically, mentally, or emotionally afflicted.

131 W. Wilson Street • Suite 1105 • Madison, WI 53703
Tel 608/257-0004 • Fax 608/257-0376 • Website http://www.wisconsincatholic.org

Since all of us suffer when illness robs our neighbor of his or her ability to contribute to the community, we have a shared responsibility to support those who find themselves in a condition of serious mental illness. The mental health needs of our neighbors, no less than their physical well-being, are a proper concern of public policy. It is, therefore, appropriate for laws to foster greater equity in how we deal with mental and physical illness.

Proper treatment of mental health and substance abuse not only serves the human dignity of the individual afflicted with a condition or addiction; it also serves to enhance the safety and security of our communities. Indeed, one of the issues that continually surfaced as the bishops studied the issue of crime and the criminal justice system in this state was the percentage of prisoners with mental illness and addictions. Mental illness and substance abuse issues also clearly intertwine with other social concerns such as poverty.

Establishing parity coverage for those who suffer from substance abuse, mental health issues, and physical illness, recognizes the fullness of the human person and fosters a consistent life ethic. These are worthy policy objectives.

We respectfully request your support for SB 362 and thank you for your consideration.


FORWARD
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WISCONSIN NURSES ASSOCIATION

6117 Monona Drive • Suite 1 • Madison, Wisconsin 53716-3995 • (608) 221-0383 • FAX (608) 221-2788
info@wisconsinnurses.org • www.wisconsinnurses.org

TO:	Senator Jon Erpenbach, Chairperson and members of the Senate Committee on Health, Health Insurance, Privacy , Property Tax Relief, and Revenue
FROM:	Gina Dennik-Champion, RN, MSN, MSHA WNA Executive Director
DATE:	November 10, 2009
RE:	Support for SB 362 – Health Insurance Coverage of Nervous and Mental Disorders, Alcoholism, and other Drug Abuse Problems.

Good morning Chairperson Erpenbach and members of the Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue. Thank you for allowing the Wisconsin Nurses Association (WNA) to submit testimony on SB 362 which further supports increase health insurance coverage of nervous and mental health disorders, alcoholism and other drug abuse problems. WNA serves as the voice for professional registered nurses in Wisconsin. WNA has long recognized and supported the need for health insurance parity coverage for treatment of mental health and substance abuse. This is why we support SB 362. We know the benefits of such policies as equal coverage for drug and alcohol treatment requires health insurers to recognize addictions as a disease and provide coverage for treating alcohol and drug addiction that is equal to treatment coverage for other chronic, relapsing disorders such as diabetes and hypertension. We also know that more than 70% of people who currently use illicit drugs, as well as 75% of individuals who are alcoholics, are employed and many by small businesses. Although treatment outcomes of alcoholism and drug addiction compares favorably with that of other chronic recurring disorders, many insurers have not yet granted equal status to this health issue. It is in the interests of insurers, employers, registered nurses and other medical providers, and patients to cover and treat substance use disorders.

SB 362 the Wisconsin Mental Health and Substance Abuse Parity Act will require all Wisconsin employers to provide equitable coverage for their employees. This legislation benefits the individual employee and the small business because the treatment can be readily available thus supporting employee productivity and reducing employee turnover. This is why WNA believes that SB 362 is good for the employee, good for the employer and good for Wisconsin's economy.

As registered nurses we see every day the impact of no health insurance for mental health and substance abuse diseases. We see these individuals in our acute and primary care settings, our communities' unemployment and medical assistance lines and our jails and prisons. For individuals with mental health or substance abuse conditions who are employed in small business we find that they struggle with their illnesses every day because they do not have the

financial resources or mental health insurance to pay for treatment. WNA would like for this to change. SB 362 accomplishes this.

WNA would like to thank Senator Hansen for introducing SB 362 and for those of you who are members of this committee serving as co-sponsors, namely Senators Erpenbach, Robson, Carpenter, and Lassa.

WNA requests that all of the Committee members support SB 362.


FORWARD
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WPHCA
Wisconsin Primary Health Care Association

TESTIMONY IN SUPPORT OF SENATE BILL 362

SENATE HEALTH AND HEALTH INSURANCE COMMITTEE

Tuesday November 10, 2009

Thank you Chairman Erpenbach and members of the committee for the opportunity to explain our association's support of Senate Bill 362, the Wisconsin Mental Health and Substance Abuse Parity Act.

I'm Tom Petri, Director of Policy and Communications for the Wisconsin Primary Health Care Association. I'm here today, on behalf of our providers and patients, over 3/4 of who are completely uninsured or are covered solely through the Medicaid/Medicare Program.

WPHCA members support SB 362, and we encourage committee members to vote in favor of it because we understand the connection between quality mental and physical health, especially among low-income or poverty-stricken individuals. Wisconsin's CHCs are employing or contracting for services with over 40 mental health professionals, including psychiatrists, social workers and clinical psychologists. While primary medical and dental care remain the two dominate health services our Community Health Centers provide their clientele, behavioral health care services are offered by 12 of our 17 Health Centers, including three of the four CHCs in Milwaukee as well as by our CHCs in Madison, Green Bay, Kenosha and Beloit.

In total, over 11,000 patients were treated for some behavioral health care need in 2008 at one of our sites. While that number is low compared to the over 175,000 patients seen for a medical and dental health care reason, the availability of mental health services is rapidly growing inside our CHCs as our patients come to realize the incredible benefits of the true health care home, where they can receive personal care, from head to toe, from practitioners and providers committed to helping them improving their physical and mental health.

While it is unclear what percentage of those 11,000 plus mental health patients do in fact have some limited insurance coverage, in many instances, patients are put on the health centers' low-income, uninsured sliding-fee scale, and are required to cover their costs based on their ability to pay. Consequently, this out-of-pocket expense, for low-income individuals who may be employed at a small business where insurance coverage parity does not yet exist, could force them to disengage from their behavioral health caregivers and forego the necessary care.

Besides increasing access to dental services and expanding their footprint in underserved communities of high need offering few doctors and dentists, many CHCs have focused recent expansion and workforce development efforts in the area of mental health services. This prioritization of mental health and substance abuse treatment services is due in large part to the proven propensity of a underserved and unhealthy patient who has a chronic condition such as high blood pressure, diabetes or heart disease to also suffer from depression, bipolar disorder, alcoholism or drug addiction, to name a few.

4600 American Parkway, Suite 204, Madison, WI 53718 • Phone 608-277-7477 • Fax 608-277-7474
E-Mail: wphca@wphca.org • Website: www.wphca.org

This proposed expansion of our federal parity laws to include small business should benefit our CHCs as they strive to expand access to primary care services in Wisconsin's most underserved city neighborhoods and rural communities and continue serving as complete patient-center health care homes.

By extending this coverage benefit to our insured patients, we believe a high percentage of who are working in lower wage jobs at small businesses consisting of less than 50 employees will be able to receive appropriate access to care, either at a CHC or through a for-profit provider. While CHCs provide primary medical, dental and behavioral health care services to anybody who walks in the door, regardless of their ability to pay, a fully-insured patient who receives needed counseling, treatment and prescriptions benefits the patient, the employer and the CHC provider.

Ultimately, WPHCA believes expanding the federal law's requirements to all employer group plans that offer mental health and substance abuse coverage will help hundreds, if not thousands of our patients who have successfully gained physical health coverage through their jobs but do not yet have mental health services coverage as part of their plans.

4600 American Parkway, Suite 204, Madison, WI 53718 • Phone 608-277-7477 • Fax 608-277-7474
E-Mail: wphca@wphca.org • Website: www.wphca.org


FORWARD
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WMC

WISCONSIN'S BUSINESS VOICE SINCE 1911

To: Chairperson Jon Erpenbach
Members of the Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue
From: R.J. Pirlot, Director of Legislative Relations
Date: November 12, 2009
Subject: **Opposition to Senate Bill 362**, relating to health insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems.

A previously-scheduled commitment prevented me from appearing before you when the Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue held a public hearing on Senate Bill (SB) 362. In lieu of providing public testimony on behalf of Wisconsin Manufacturers & Commerce (WMC) in opposition to SB 362, I respectfully submit to you these written comments.

Under current law, if a group health plan covers any inpatient hospital services, the plan must pay for a minimum amount of inpatient services for the treatment of nervous and mental disorders and alcohol and other drug abuse. For inpatient services, the minimum amount of coverage is the lesser of (1) 30 days of inpatient treatment or (2) $7,000, less any applicable cost sharing ($6,300 if there is no cost sharing). Also under current law, if a group health plan covers any outpatient hospital services, the plan must pay for at least $2,000 (less any applicable cost sharing; at least $1,800 if there is no cost sharing) of outpatient services for the treatment of nervous and mental disorders and alcohol and other drug abuse. If a group health plan covers inpatient *and* outpatient hospital services, the total coverage for all types of treatment for mental health and substance abuse problems must be at least $7,000. SB 362 would remove these mandatory minimum levels of coverage, but retain the general coverage requirements. Private, self-funded plans would not be affected.

SB 362 Will Raise Health Care Costs, Jeopardizing Affordability
Government insurance mandates inevitably lead to higher health care insurance costs, meaning employers and employees will have to pay more for health insurance coverage. As health care insurance costs go up, typically the hardest hit are Wisconsin's small businesses and their employees. Rising health care costs are already forcing Wisconsin employers to shift health care cost increases to their employees, reduce health care coverage, cut back on other benefits or wages, or a combination of the three. SB 362 will make it harder for Wisconsin employers and their employees to afford to buy health care coverage.

Four New Mandates Already Enacted, This Session
Several new healthcare insurance mandates have been signed into law, since April:

- **Autism.** The state budget, signed into law this summer, requires all commercial health plans to pay for the cost of treating autism, Asperger's syndrome, and "pervasive developmental disorder not otherwise specified." It requires coverage for treatment by a psychiatrist, psychologist, social worker licensed to practice psychology, a paraprofessional practicing under the supervision of one of the aforementioned providers, a professional working under the supervision of an outpatient mental health clinic, a speech-language pathologist, or an occupational therapist. Mandatory minimum levels of coverage will be $50,000 for "intensive-level" services per year, with a minimum of 30 to 35 hours of care per week for a minimum of 4 years, and $25,000 for "non-intensive-level" services per year. These mandatory minimum levels of coverage will be annually indexed for inflation. WMC is concerned enactment of SB 362 could effectively erase these mandatory minimum levels of coverage, but retain the coverage requirement.

501 East Washington Avenue, Madison, WI 53703-2914 • P.O. Box 352, Madison, WI 53701-0352
Phone (608) 258-3400 • Fax (608) 258-3413 • www.wmc.org

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- **Dependent Coverage.** The state budget requires all commercial health plans, if so requested by an insured, to cover an "adult child" of the insured if the child is (a) over 17 but less than 27 years old, (b) not married, (c) not eligible for the child's employer's health plan, if any, and the child's premium is not greater than under this provision.
- **Contraceptives.** The state budget requires all commercial health plans to cover (a) prescription contraceptives and (b) outpatient consultations, examinations, procedures, and medical services that are necessary to prescribe, administer, maintain, or remove a contraceptive. Under the mandate, "contraceptives" is defined as drugs or devices approved by the federal Food and Drug Administration to prevent pregnancy.
- **Hearing Aids/Cochlear Implants.** Separate legislation, also signed into law, requires all commercial health plans sold in Wisconsin to cover hearing aids and cochlear implants for deaf children under 18 years old.

Effect of These Four New Mandates on Premiums is Unknown

Except for the new hearing aid/cochlear implants mandate, the Office of Commissioner of Insurance (OCI) *has yet to release an analysis of the effect these mandates will have on insurance premiums in Wisconsin*, yet the legislature passed them and Governor Doyle signed them into law. In the case of the new hearing aid/cochlear implants mandate, an OCI analysis was released, but not until after the legislature took final action on the new mandate.

What will be the effect on Wisconsin premiums of the already-enacted mandates? Simply put, we do not know. As such, I strongly and respectfully urge you, at the very least, to delay action on SB 362 until we know what the effect will be of the already-enacted new mandates on Wisconsin health insurance premiums.

WMC is not oblivious to the negative effect, in the workplace and at home, of untreated or under-treated nervous and mental disorders and alcohol and other drug abuse problems. A number of large, self-funded Wisconsin employers, before compelled to do so by federal legislation, offered mental health benefits far above the Wisconsin minimum requirements for group plans sold in Wisconsin. And WMC has provided a forum for such employers to educate their peers regarding their experience providing such benefits. This past August, for example, our annual wellness conference featured Journal Communications and its experience implementing mental health parity into its benefit plan. Moreover, this same forum's opening keynote address was by David Shern, PhD, president and chief executive officer of Mental Health America, who discussed the effect of mental health conditions on the U.S. workforce and offered strategies to improve workers' mental health. One of the last things, though, small employers need is another new health insurance mandate. Small employers tell us they would like more flexibility in benefit design from Madison, not less.

Action Should be Delayed, At Least, Until Full Costs Are Known

In conclusion, I respectfully urge you to oppose SB 362. At the very least, I urge you to delay action on SB 362 until (1) we know how much mandates already enacted, this session, will increase Wisconsin insurance premiums and (2) how much OCI concludes SB 362 will increase Wisconsin insurance premiums.

If you have any questions or comments, please do not hesitate to contact me at 608-258-3400.